Fiera Capital reports third quarter 2020 results

/NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR
DISSEMINATION IN THE UNITED STATES/

Montreal, November 13, 2020 – Fiera Capital Corporation (TSX: FSZ) ("Fiera Capital" or the "Company" or the "Firm"), a leading independent asset management firm, today announced its financial results for the third quarter ended September 30, 2020. Financial references are in Canadian dollars unless otherwise indicated.

- **Assets under management ("AUM") of $177.7 billion as at September 30, 2020:**
  - a $6.7 billion, or 3.9%, increase compared to June 30, 2020
  - a $13.0 billion, or 7.9%, increase compared to September 30, 2019
- **Q3 2020 revenues of $170.7 million:**
  - a $3.8 million, or 2.3%, increase compared to Q2 2020 revenues of $166.9 million
  - a $10.7 million, or 6.7%, increase compared to Q3 2019 revenues of $160.0 million
- **Net earnings of $5.0 million in Q3 2020** compared to net losses of $14.3 million and $4.6 million in Q2 2020 and Q3 2019, respectively
  - **Net earnings attributable to the Company's shareholders of $4.7 million in Q3 2020** compared to net losses of $14.7 million in Q2 2020 and $4.7 million in Q3 2019
  - **Basic net earnings attributable to the Company's shareholders per share of $0.05 in Q3 2020** compared to net losses of $0.14 in Q2 2020 and $0.05 in Q3 2019
- **Subsequent event**
  - Dividend of $0.21 per share declared in November

NON-IFRS MEASURES

- **Adjusted EBITDA[1] of $53.4 million in Q3 2020** compared to $51.9 million in Q2 2020 and $46.6 million in Q3 2019
  - **Adjusted EBITDA margin[1] of 31.3% in Q3 2020,** compared to 31.1% in Q2 2020 and 29.1% in Q3 2019
- **Basic adjusted net earnings per share[1,2] of $0.36,** compared to basic adjusted net earnings per share[1,2] of $0.38 in Q2 2020 and $0.32 in Q3 2019

"We continued to execute on our strategic priorities during the third quarter, with the goal of making Fiera Capital one of the world's top-tier asset managers. For this reason, maintaining focus on investment excellence and acting as a trusted investment manager, providing tailored solutions that cater to specific investment outcomes, is critical, particularly during these uncertain times," said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer. *"This commitment goes hand in hand with delivering profitable growth to our shareholders."*

"We are very pleased with the progress made in implementing the Firm's new global operating model over the course of the third quarter, including making great strides in advancing our now globally integrated client interaction model, where our continued investments in talent and technology will be key. Moreover, our financial results and overall investment performance continued to strengthen as global markets recovered," said Jean-Philippe Lemay, Global President and Chief Operating Officer. *"We reported Adjusted EBITDA of $53.4 million, representing a 3% increase compared to the second quarter of 2020 and a 15% year-over-year increase, with a corresponding margin of 31.3%."*

"We paid $21.8 million to shareholders during the third quarter in the form of dividends and purchased $0.8 million of shares through our recently announced share repurchase program, another means by which we can return value to shareholders," said Lucas Pontillo, Executive Vice President and Global Chief Financial Officer. *"Operating and financial results have remained strong during the ongoing pandemic, demonstrating the resilience of the business. As such, I am pleased to announce that the board has approved a dividend of 21 cents per share, payable on December 21."*

Assets Under Management (in $ millions, unless otherwise indicated)

	AUM as at			Quarter-over-Quarter Change		Year-over-Year Change	
Markets	Sept. 30, 2020	June 30, 2020	Sept. 30, 2019	$	%	$	%
Institutional	**103,807**	**98,258**	92,826	5,549	*5.6%*	10,981	*11.8%*
Private Wealth	**34,932**	**35,948**	33,446	(1,016)	*(2.8%)*	1,486	*4.4%*
Retail	**38,954**	**36,781**	38,392	2,173	*5.9%*	562	*1.5%*
Total	**177,693**	**170,987**	164,664	6,706	*3.9%*	13,029	*7.9%*

	June 30, 2020	*New*	*Lost*	*Net Contributions*	**Net Organic Growth***	Market	Foreign Exchange Impact	Sept. 30, 2020
Institutional	**98,258**	*1,411*	*(561)*	*409*	**1,259**	4,863	(573)	**103,807**
Private Wealth	**35,948**	*402*	*(353)*	*(1,867)*	**(1,818)**	1,337	(535)	**34,932**
Retail	**36,781**	*102*	*(656)*	*450*	**(104)**	2,456	(179)	**38,954**
AUM - end of period	**170,987**	*1,915*	*(1,570)*	*(1,008)*	**(663)**	8,656	(1,287)	**177,693**

* Net Organic Growth represents the sum of New, Lost and Net Contributions.

AUM at September 30, 2020 was $177.7 billion compared to:

- **$171.0 billion as at June 30, 2020, an increase of $6.7 billion, or 3.9%.**
  The recovery in global equity markets and gross new mandates won in the third quarter contributed $8.7 billion and $1.9 billion, respectively, towards AUM, with client retention in Institutional remaining high in Canada. These increases were partially offset by lost mandates of $1.6 billion, redemptions from existing clients of $1.0 billion and an unfavourable foreign exchange impact of $1.3 billion.

- **$164.7 billion as at September 30, 2019, an increase of $13.0 billion, or 7.9%.**
  The increase was primarily due to market appreciation of $14.1 billion, gross new mandates won of $12.5 billion, and a favourable foreign exchange impact of $0.8 billion. These increases were partly offset by lost mandates of $9.7 billion, redemptions from existing clients of $4.0 billion, and a $1.2 billion decrease due to the sale of Fiera Investments LP's retail mutual funds to Canoe Financial on June 26, 2020.

Key Financial Highlights (in $ thousands except for per share data)

	THREE-MONTH PERIODS ENDED			NINE-MONTH PERIODS ENDED	
	Sept. 30, 2020	Jun. 30, 2020	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2019
AUM (in $ billions)	**177.7**	171.0	164.7	**177.7**	164.7
Average AUM (in $ billions)	**177.0**	169.7	161.2	**171.0**	150.7
Revenues					
Base management fees	**159,670**	155,902	150,316	**470,396**	414,952
Performance fees	**940**	1,991	1,564	**6,182**	4,725
Share of earnings in joint ventures and associates	**2,145**	2,216	-	**4,112**	-
Other revenues	**7,982**	6,756	8,076	**18,569**	32,968
Total revenues	**170,737**	166,865	159,956	**499,259**	452,645
Expenses					
SG&A(*) and external managers expenses	**122,568**	122,471	118,754	**363,367**	338,804
All other net expenses	**43,141**	58,708	45,795	**133,156**	129,801
	165,709	181,179	164,549	**496,523**	468,605
Net earnings (loss)	**5,028**	(14,314)	(4,593)	**2,736**	(15,960)
Attributable to					
The Company's shareholders	**4,726**	(14,703)	(4,740)	**(2,396)**	(16,806)
Non-controlling interest	**302**	389	147	**5,132**	846
Net earnings (loss)	**5,028**	(14,314)	(4,593)	**2,736**	(15,960)
Earnings					
Adjusted EBITDA [1]	**53,424**	51,893	46,578	**148,768**	131,199
Net earnings (loss)	**5,028**	(14,314)	(4,593)	**2,736**	(15,960)
Adjusted net earnings [1,2]	**37,588**	38,704	32,466	**96,863**	89,934
Basic per share					
Adjusted EBITDA [1]	**0.51**	0.50	0.46	**1.43**	1.32
Net earnings (loss)	**0.05**	(0.14)	(0.05)	**(0.02)**	(0.17)
Adjusted net earnings [1,2]	**0.36**	0.38	0.32	**0.93**	0.91
Weighted average shares outstanding (in thousands)	**104,870.75**	103,004.42	100,706.64	**103,926.19**	99,038.80
Diluted per share					
Adjusted EBITDA [1]	**0.49**	0.50	0.46	**1.43**	1.32
Net earnings (loss) (**)	**0.04**	(0.14)	(0.05)	**(0.02)**	(0.17)
Adjusted net earnings [1,2] (**)	**0.35**	0.38	0.32	**0.93**	0.91
Weighted average shares outstanding (in thousands)	**108,917.81**	103,004.42	100,706.64	**103,926.19**	99,038.80

(*) SG&A: Selling, general and administrative expenses (**) The non-IFRS measures basic and diluted Adjusted EBITDA and Adjusted net earnings per share are calculated using the same weighted average number of shares outstanding as the basic and diluted net earnings (loss) per share figures, respectively, calculated in accordance with IFRS, regardless of net earnings or net loss.

Revenues for the three-month period ended September 30, 2020 were $170.7 million compared to:

- **$166.9 million in the second quarter of 2020, an increase of $3.8 million, or 2.3%.** The increase was primarily due to higher management fees of $3.8 million driven by higher average AUM for the period, as well as a $1.3 million increase in other revenues from private market strategies. These increases were partially offset by a $1.1 million decrease in performance fees, mainly in public market strategies.

  Revenues in the third quarter of 2020 were impacted by a $3.0 million decrease in base management fees due to the sale of Fiera Investments LP's retail mutual funds in the second quarter of 2020.

- **$160.0 million for the same period last year, an increase of $10.7 million, or 6.7%.** The increase was primarily due to higher base management fees of $9.4 million driven by higher average AUM for the period, in part as a result of organic growth in the Institutional channel's U.S., Canadian and European markets, as well as a $2.1 million share of earnings in joint ventures and associates generated by Fiera Real Estate UK.

  Revenues in the third quarter of 2020 were impacted by a $3.8 million decrease in base management fees due to the sale of Fiera Investments LP's retail mutual funds in the second quarter of 2020.

Selling General & Administrative ("SG&A") and external managers expenses was $122.6 million for the three-month period ended September 30, 2020 compared to:

- **$122.5 million in the second quarter of 2020, flat quarter over quarter.**

  The increase was driven by $2.9 million of wage subsidies recognized in the second quarter of 2020 which did not recur in the current period, higher compensation expense of approximately $1.1 million and an increase in fund-related expenses of $1.0 million.

  These increases were partially offset by $3.2 million of accelerated vesting from employee terminations recognized in the second quarter of 2020 which did not recur in the current period, and $1.6 million of lower revenue-related expenses primarily from the sale of Fiera Investments LP's retail mutual funds in the second quarter of 2020.

  In addition, as a result of the new global management structure announced by the Company in the second quarter of 2020 generated approximately $3.0 million of savings which were redeployed to certain key functions in order to help accelerate future growth.

- **$118.8 million for the same period last year, an increase of $3.8 million, or 3.2%.** The increase was primarily driven by higher compensation expense of $7.0 million and an increase in fund-related expenses of $1.0 million.

  These increases were partially offset by:

   - a $2.7 million reduction in discretionary spending due to cost containment measures in response to market pressures from the effects of COVID-19; and
   - $1.7 million of lower revenue-related expenses primarily due to the sale of Fiera Investments LP's retail mutual funds in the second quarter of 2020.

The Company redeployed approximately $3.0 million of savings generated from the new global management structure announced in the second quarter of 2020 to certain key functions in order to help accelerate future growth.

Net earnings attributable to the Company's shareholders were $4.7 million, or $0.05 per share basic and $0.04 per share diluted, for the three-month period ended September 30, 2020 compared to:

- **Net loss attributable to the Company's shareholders of $14.7 million, or $0.14 per share (basic and diluted), in the second quarter of 2020.**
  The $19.4 million increase in net earnings was driven primarily by a $22.1 million reduction in restructuring, integration and acquisition costs as the second quarter of fiscal 2020 included $20.9 million of restructuring costs attributable to the new global management structure. Q3 2020 net earnings attributable to the Company's shareholders also benefited from $3.8 million in higher revenues and a $1.8 million favourable impact on depreciation and interest on lease liabilities due to an adjustment related to an existing lease.

  The increase in net earnings was partially offset by a $7.5 million unfavourable impact from income taxes and a $1.9 million increase in other financial charges driven by an increase in the loss on currency revaluation of items denominated in foreign currency.

- **Net loss attributable to the Company's shareholders of $4.7 million, or $0.05 per share (basic and diluted), for the same period last year.**
  The $9.4 million increase was primarily due to a $10.7 million increase in revenues compared to the same period last year, $3.1 million lower accretion and change in fair value of purchase price obligations, and a $2.8 million reduction in restructuring and acquisition costs.

  The increase in net earnings was partially offset by a $3.9 million unfavourable impact from income taxes and a $3.8 million increase in SG&A and external managers expenses.

Adjusted EBITDA for the third quarter of 2020 was $53.4 million, or $0.51 per share basic and $0.49 per share diluted, for the three-month period ended September 30, 2020 compared to:

- **$51.9 million or $0.50 per share (basic and diluted) in the second quarter of 2020, an increase of $1.5 million, or 2.9%.**

The increase in adjusted EBITDA was primarily driven by higher revenues of $3.8 million, which were partially offset by a $2.3 million increase in SG&A and external managers expense, excluding share-based compensation, primarily due to higher compensation expense, as the recognition of a $2.9 million Canadian Emergency Wage Subsidy (“wage subsidy”) in the second quarter of 2020 did not recur in the third quarter of 2020.

- **$46.6 million, or $0.46 per share (basic and diluted) for the same period last year, an increase of $6.8 million, or 14.6%.**
  The increase in adjusted EBITDA was mainly driven by higher revenues of $10.7 million compared to the same period last year, partially offset by a $4.0 million increase in SG&A and external managers expense, excluding share-based compensation, primarily due to higher compensation expense. The increase in SG&A and external managers expense reflects the favourable impact of a reduction in discretionary spending due to cost containment measures which were put in place in response to the market pressures from COVID-19.

Adjusted net earnings for the third quarter of 2020 were $37.6 million or $0.36 per share basic and $0.35 per share diluted, compared to:

- **$38.7 million, or $0.38 per share (basic and diluted) in the second quarter of 2020, a decrease of $1.1 million, or 2.8%.**
  The $1.1 million decrease in adjusted net earnings was primarily due to a $2.3 million increase in SG&A and external managers expense, excluding share-based compensation, as the recognition of a $2.9 million wage subsidy in the second quarter of 2020 did not recur in the third quarter of 2020. In addition, there was a $1.9 million increase in interest on long-term debt and other financial charges driven by an increase in the loss on currency revaluation of items denominated in foreign currency and an increase in taxes on adjusted net earnings of $1.8 million.

  This was partially offset by a $3.8 million increase in revenues and lower interest on lease liabilities of $0.9 million.

- **$32.5 million, or $0.32 per share (basic and diluted) for the same period last year, an increase of $5.1 million, or 15.7%.**
  The $5.1 million increase in adjusted net earnings was mainly due to a $10.7 million increase in revenues compared to the same period last year, which was partially offset by a $4.0 million increase in SG&A and external managers expense, excluding share-based compensation, primarily due to higher compensation expense. The increase in SG&A and external managers expense reflects the favourable impact of a reduction in discretionary spending due to cost containment measures put in place in response to the market pressures from COVID-19. In addition, there was an increase in taxes on adjusted net earnings of $2.6 million.

Additional details relating to the company's operating results can be found on our Investor Relations web page under *Quarterly Reports - Management Discussion and Analysis*.

Subsequent Event

I. Dividends Declared

On November 12, 2020, the Board declared a quarterly dividend of $0.21 per Class A Share and Class B Special Voting Share of the Corporation, payable on December 21, 2020 to shareholders of record at the close of business on November 25, 2020. The dividend is an eligible dividend for income tax purposes.

Enhanced AUM Categories

Pursuant to Fiera Capital's new global operating model announced in June 2020, the Company will be introducing new AUM categories, which will be effective January 1, 2021. The Company will highlight these forthcoming changes during its Q3 2020 earnings call.

Conference Call

Live
Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Friday, November 13, 2020, to discuss its financial results. The dial-in number to access the conference call from Canada and the United States is 1-866-865-3087 (toll-free) and 1-647-427-7450 from outside North America (access code: 5696229).

The conference call will also be accessible via webcast in the Investor Relations section of Fiera Capital's website, under *Events and Presentations*.

Replay
An audio replay of the call will be available until November 20, 2020 by dialing 1-855-859-2056 (toll free), access code 5696229.

The webcast will remain available for three months following the call and can be accessed in the Investor Relations section of the website under *Events and Presentations*.

Footnotes

1) Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per share, Adjusted net earnings and Adjusted net earnings per share (basic and diluted) are not standardized measures prescribed by International Financial Reporting Standards ("IFRS"), and are therefore unlikely to be comparable to similar measures presented by other companies. We have included non-IFRS

measures to provide investors with supplemental measures of our operating and financial performance. We believe non-IFRS measures are important supplemental metrics of operating and financial performance because they highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. Securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess its ability to meet future debt service, capital expenditure and working capital requirements.

For reconciliation to, and a description of, the Company's non-IFRS Measures, please refer to page 27 of the Company's Management, Discussion and Analysis for the three and nine months ended September 30, 2020.

On January 1, 2019, the Company adopted IFRS 16 – *Leases*, using the modified retrospective approach where comparative information has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, they were presented as cash generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16.

2) Attributable to the Company's shareholders

Forward-Looking Statements

This document may contain certain forward-looking statements. These statements relate to future events or future performance, and reflect management's expectations or beliefs regarding future events, including business and economic conditions and Fiera Capital's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend" or the negative of these terms, or other comparable terminology.

With respect to Fiera Capital's management's expectations regarding contribution to EBITDA starting in financial year 2021, financial performance is based on information available to management and certain assumptions, including realization of estimated expense savings relating to redundancies, estimated amount of investment required to develop Fiera Capital's integrated global distribution function and assumptions regarding the organic growth in assets under management. Actual results could differ depending on a number of factors, including the ability to hire key personnel at anticipated compensation terms and conditions and general market conditions.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement.

These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry, and the risks and uncertainties detailed from time to time in Fiera Capital's interim condensed and annual consolidated financial statements, and its latest Annual Report and Annual Information Form filed on www.sedar.com. These forward-looking statements are made as of the date of this document, and Fiera Capital assumes no obligation to update or revise them to reflect new events or circumstances.

About Fiera Capital Corporation

Fiera Capital is a leading independent global asset management firm with approximately C$177.7 billion in assets under management as of September 30, 2020. The Company provides institutional, retail and private wealth clients with access to full-service integrated money management solutions across traditional and alternative asset classes. Fiera Capital's depth of expertise, diversified investment platform and commitment to delivering outstanding service are core to our mission of being at the forefront of investment management science to create sustainable wealth for clients. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange. www.fieracapital.com

Headquartered in Montreal, Fiera Capital, with its affiliates in various jurisdictions, has offices in over a dozen cities around the world, including New York (U.S.), London (UK), and Hong Kong (SAR).

In the U.S., asset management services are provided by the Company's U.S. affiliates who are investment advisers that are registered with the U.S. Securities and Exchange Commission (SEC) or exempt from registration. Registration with the SEC does not imply a certain level of skill or training. For details on the particular registration of, or exemptions therefrom relied upon by, any Fiera Capital entity, please consult this webpage .

Additional information about Fiera Capital Corporation, including the Company's annual information form, is available on SEDAR at www.sedar.com.

For more information:

Analysts and investors
Mariem Elsayed
Director, Investor Relations
Fiera Capital Corporation
514 954-6619
melsayed@fieracapital.com

Media inquiries
Marion Hourdel
Coordinator, Corporate Communications
Fiera Capital Corporation
514 954-3329
mhourdel@fieracapital.com